

Message Text

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43

ACTION TRSE-00

INFO OCT-01 EUR-25 EA-11 ISO-00 NEA-10 IO-14 H-03 L-03

PRS-01 PA-04 USIA-15 CEA-02 SPC-03 AID-20 EB-11

NSC-10 RSC-01 CIEP-02 SS-20 STR-08 OMB-01 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 DRC-01 /204 W

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P 151850Z OCT 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 8058

INFO AMEMBASSY MANILA PRIORITY

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DEPARTMENT PASS TREASURY

MANILA FOR USADB

E.O. 11652: GDS

TAGS: EAID, EFIN, XB

SUBJECT: ADB SPECIAL FUNDS - BONN MEETING

1. ADB DEVELOPED MEMBER COUNTRIES AGREED OCTOBER 12 ON REPLENISHMENT PACKAGE FOR ADB SPECIAL FUNDS. AGREEMENT, ANNOUNCED TO PRESS LATE SAME DAY, DESIGNED MOBILIZE \$525 MILLION IN TWO STAGES BY END 1975. US CONTRIBUTION \$150 MILLION, CONSISTING OF \$100 MILLION NOW PENDING IN CONGRESS AND \$50 MILLION TO BE AUTHORIZED AS NEW MONEY.
2. AGREEMENT DOCUMENTATION EXTENSIVELY RECAST TO ACCOMMODATE TO US NEEDS VIS-A-VIS CONGRESS, ALONG LINES OF IDA REPLENISHMENT AGREEMENT NAIROBI. DRAFT DIRECTORS7 REPORT NOTED POSSIBILITY OF EXTENSION ENTRY INTO EFFECT DEADLINE TO AT LEAST DECEMBER 1974.

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BOTH DOCUMENTATION AND PRESS RELEASE MAKE

CLEAR THAT NO COMMITMENT TO CONTRIBUTE EXISTS UNTIL
APPROVAL OF LEGISLATURES OBTAINED.

3. FURTHER MEETING DONOR GROUP CONTEMPLATED FOR
DECEMBER TO CONSIDER ADVANCE PAYMENT ARRANGEMENTS IF
NEEDED IN LIGHT OF CONGRESSIONAL ACTION THIS YEAR
REDUCING PENDING \$100 MILLION REQUEST.

4. TEXT OF KEY "WITNESS" CLAUSE IN FIRST STAGE
RESOLUTION COMPARABLE TO IDA PROVISION, AS FOLLOWS:
"DEVELOPED MEMBER COUNTRIES OF THE BANK INTERESTED
IN PARTICIPATING IN THE FUND, RECOGNIZING THE
DESIRABILITY THAT THE FULL AMOUNT OF US\$525,000,000
BE PUT AT THE DISPOSAL OF THE BANK DURING THE PERIOD
ENDING DECEMBER 31 1975, AND ACKNOWLEDGING THAT THE
ARRANGEMENTS SPECIFIED IN THIS RESOLUTION FOR THE
FIRST STAGE OF THE RESOURCE MOBILIZATION PROGRAMME
FORM AN APPROPRIATE BASIS FOR RECOMMENDATIONS TO
LEGISLATURES, HAVE INDICATED, AT A MEETING ON
OCTOBER 12 1973, THEIR INTENTION, WHERE NECESSARY,
TO SEEK LEGISLATIVE APPROVAL TO CONTRIBUTE IN
ACCORDANCE WITH SUCH ARRANGEMENTS, IT BEING UNDERSTOOD
THAT NO COMMITMENT IN THAT REGARD CAN BE MADE BY A
MEMBER GOVERNMENT UNTIL ANY NECESSARY APPROVAL FROM
ITS LEGISLATURE HAS BEEN OBTAINED."

5. REGARDING ENTRY INTO FORCE DEADLINE FOR FIRST
STAGE, GOVERNING LANGUAGE OF RESOLUTION IS AS FOLLOWS:
"THE FUND SHALL BE DEEMED TO BE ESTABLISHED...
AS OF THE DATE, NOT LATER THAN JUNE 30 1974 OR SUCH
OTHER DATE AS THE BOARD OF GOVERNORS MAY DETERMINE,
ON WHICH INSTRUMENTS OF CONTRIBUTION...SHALL HAVE BEEN
DEPOSITED FOR CONTRIBUTIONS IN AN APPROPRIATE AMOUNT
EQUIVALENT TO NOT LESS THAN \$260 MILLION."
AFTER EXTENSIVE NEGOTIATION IN LIGHT HENNESSY-LARSEN
TELCON, FOLLOWING SENTENCE WAS ADDED AS ADDITION TO
DRAFT DIRECTORS REPORT:
"SHOULD IT BE IMPOSSIBLE, BECAUSE OF EXCEPTIONAL
CIRCUMSTANCES TO BRING THE FIRST STAGE INTO EFFECT
BY THE INTENDED DATE OR JUNE 30 1974, THAT DATE MAY BE
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EXTENDED BY THE GOVERNORS, BUT EVERY EFFORT SHOULD
BE MADE TO AVOID ANY EXTENSION BEYOND DECEMBER 31,
1974."

6. SPIRIT OF COOPERATION AND DESIRE TO BE HELPFUL
TO US WITH CONGRESSIONAL PROBLEM PREVAILED THROUGHOUT.
TONE SET BY VERY POSITIVE REACTIONS TO LARSEN OPENING
STATEMENT INDICATING ADMINISTRATION SUPPORT FOR

REPLENISHMENT AND READINESS TO PUSH IT STRONGLY
BEFORE CONGRESS.
HILLENBRAND

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL CONTRIBUTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BONN14926
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731033/aaaaaybd.tel
Line Count: 118
Locator: TEXT ON-LINE
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 07 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Aug-2001 by izenbei0>; APPROVED <20-Sep-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ADB SPECIAL FUNDS - BONN MEETING
TAGS: EAID, EFIN, XB, ADB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005